



Committee On Finance

Max Baucus, Ranking Member

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Baucus Works to Help Displaced Service Workers *Senator Introduces Bill to Expand Trade Adjustment Assistance*

(WASHINGTON, D.C.) U.S. Senator Max Baucus today introduced the *Trade Adjustment Assistance Equity for Services Workers Act*, which would extend the Trade Adjustment Assistance (TAA) program to provide job retraining, income support, and health care benefits to service sector workers who have lost their jobs due to international trade.

Baucus introduced the legislation after the Bush Administration struck TAA language from the version of the United States-Central America-Dominican Republic Free Trade Agreement (CAFTA) Implementation Act that it submitted to Congress today. Last week, the TAA bill was adopted by a majority of the Finance Committee as an amendment to the CAFTA legislation.

In a letter to the U.S. Trade Representative (USTR) sent last week, Baucus joined a bipartisan group of senators from the Finance Committee urging the USTR to keep the language in the final bill.

“Frankly, I am disappointed to have to introduce this bill yet again,” Baucus said. “The language of the bill was adopted by the Finance Committee, but the administration sent us the final implementing bill with the amendment stripped out.”

Baucus continued, “President Bush likes to say that trade is for everyone, and that we all share the benefits -- including workers. He also says that we need a skilled workforce that can keep American businesses competitive in global markets. This amendment presented the President with the perfect opportunity to show a real commitment to those priorities. But he let the opportunity pass him by.”

The TAA program began in 1962, and was expanded under the Trade Act of 2002. Baucus proposed extending TAA benefits to service workers as part of both the Trade Act of 2002 and the American Jobs Creation Act of 2004. Despite broad support in the Senate, the provisions were struck in both bills.

Baucus raised the urgent need to provide America’s service workers with retraining and other transitional assistance in light of the trend toward moving service sector jobs offshore to other countries. He noted that 80 percent of American jobs are now in the service sector and that studies estimate that between a half million and over 3 million US service jobs will be moved offshore in the next 5 to 10 years.

“Examples abound of service sector jobs – even high tech jobs – relocating overseas,” Baucus said. “This doesn’t mean the total number of jobs in the U.S. economy is shrinking. But

the possibility that jobs may be available in a different field is cold comfort to a worker whose own skills are no longer in demand.”

Baucus continued, “The benefits service workers will receive under this legislation would be exactly the same as those now received by manufacturing workers affected by trade. When a factory relocates to another country, those workers are eligible for TAA. But when a call center moves to another country, those workers are not eligible for TAA. It is a matter of simple equity.”

This bill provides TAA benefits to three categories of service workers affected by trade:

First, it covers workers who lose their jobs due to competition from imported services. For example, if a U.S. truck driver loses his job because his employer loses routes to a Mexican-domiciled trucking company, the U.S. driver would be eligible for TAA.

Second, it covers workers who lose their jobs when a service facility relocates overseas as, for example, in the case of a call center or software design operation. These workers would be eligible if their employer opens an overseas facility, or – as is often the case – if the employer contracts out the jobs to a foreign service provider. This “offshoring” eligibility would apply to both private and public sector service workers whose jobs relocate overseas.

Third, the bill covers secondary service workers. Secondary workers are those who provide inputs to a primary firm where the workers are eligible for TAA. Right now, workers who make parts for manufactured products are covered if they lose their jobs when the primary firm closes. But workers who supply services to a TAA-eligible firm do not. This bill corrects that inequity.

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